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BIG DEAL BIG PLANS

The sale of Pri-Med for \$400 million reflects the meteoric rise of this CME meetings company. And it's only the beginning

PATENT PROBLEMS

Are generic challengers too often emerging victorious?

ALTERNATIVE MEDIA REVIEW

An extensive guide to services and suppliers

- **Sanofi-Aventis names team**
- **HMP's delight at acquisition**
- **Journal ad revenue up 10%**

Right: John Mooney, chief executive of M/C Communications, the parent of Pri-Med.





AISLES OF OPPORTUNITY

More than 15 million consumers visit drugstores every day, making this retail outlet a prime alternative media channel for pharma marketers who want to build brand awareness, and quickly. **Gary Norman** reports.

While DTC spending has nearly tripled since 1997, point-of-sale marketing initiatives account for such a small slice of the pie that they are not even tracked on annual DTC surveys. In fact, more than 98 percent of the annual \$3.2 billion-plus spent on DTC goes to broadcast and print advertising, the remainder being devoted to Internet initiatives and outdoor advertising.

More and more, however, pharma marketers are recognizing the retail pharmacy as an effective medium to reach targeted consumers. There are more than 50,000 stores nationwide, and nearly 15 million shoppers pass through a retail pharmacy each day. Not only do retail pharmacies outnumber leading fast-food chains in store count, but also new chain drugstores are popping up on

almost every major intersection across the country. What's more, many drugstores — especially those operated by large chains such as Walgreens and CVS — are open 24 hours a day.

And with the growing movement of “self-care” among millions of American consumers, the retail pharmacy is becoming a significant point to reach consumers to deliver in-depth information, and to drive dialogue and discussion in the doctor’s office. The environment also affords DTC marketers with the necessary space to educate consumers about their health and the benefits of specific prescription remedies.

Receptive audience

Today, more than ever before, Americans suffering from a variety of common illnesses are more inclined to first treat themselves before seeking the advice of a physician, according to a Roper Starch study. The increased availability of information and over-the-counter remedies has led to a “do-it-yourself” attitude among a large segment of consumers.

One of the first places many people head for relief is the over-the-counter section of their local pharmacy. With the proliferation of available OTC medications, consumers have multiple choices and spend more time making their purchase decisions. Many people are empowered by the information available to them and take the time to read packaging to determine what product will fulfill their needs.

The retail pharmacy location offers DTC marketers one of the most targeted marketing opportunities available. New in-store vehicles are emerging to help pharmaceutical manufacturers reach this audience. The in-store environment provides the unique ability to reach consumers based on the particular products they may purchase. For example, if diabetics are the target audience, there is no better place to reach them than in the aisle where diabetic accessories are sold.

The same holds true for dozens of other health conditions. For many conditions, such as allergies, heartburn and skin problems, there are over-the-counter treatments that provide prescription drug marketers the ideal location to supply information to consumers who are experiencing symptoms or may be suffering from a chronic illness. In many instances where there is not an OTC alternative, there are other locations within the retail pharmacy to reach target consumers. For instance, information related to toe nail fungus can be placed in the section with foot care products; osteoporosis near the shelf where calcium supplements are sold; overactive bladder near adult incontinence products.

With this receptive audience, pharmaceutical companies have the opportunity to provide consumers with detailed information about specific conditions and available treatment alternatives. Because booklets and pamphlets provide ample space for information and can be placed at the shelf near targeted products, they help pharmaceutical companies educate consumers about the disease or condition, its symptoms as well as the full benefits and side effects of a prescription drug.

In addition, the drugstore has a distinct advantage over other media options — a licensed pharmacist is within reach to answer any questions. The pharmacist can reinforce the message, discuss the applicability of the information provided and refer the patient to his or her physician.

Quantifiable results

Although the dollars spent to reach consumers in the retail pharmacy have been minimal, pharmaceutical companies that have ventured into these waters have been successful.

When one such major manufacturer wanted to launch a new drug in a competitive category, it decided to kick off the consumer marketing not by blanketing the broadcast airwaves and national magazines with ads, but by introducing the product initially in the retail pharmacy. The manufacturer placed information about the new drug in an “at-shelf dispenser” during the busy cold and flu season. The company chose the high-traffic cold remedy section to reach the greatest number of consumers.

Using this shelf dispenser allowed the company to launch the campaign swiftly and cost-effectively as soon as FDA approval was received. The dispensers contained detailed information about the drug and its benefits, and they directed consumers to a Web site for more information and a free product sample.

This tactic also allowed the manufacturer to target crucial top markets with detailed information designed to help educate consumers about choices in the category and to begin to build brand awareness.

The launch met the objectives for the manufacturer: it built immediate brand awareness in key markets and also induced trial of the drug. The in-store program also generated a 12 percent increase in scripts, as measured through controlled store testing using matched panels. By reaching consumers at the retail pharmacy, the manufacturer achieved measurable and quantifiable results. This metrics framework also supplied critical details needed to determine the return on investment (ROI), a vital com-

Largest drugstore chains	
	No. of stores
	5,250
	4,480
	3,372
	3,000*
	2,000*
	1,885

Source: MM&M research
 Note: The CVS and Brooks Pharmacy totals include recently acquired Eckerd stores. Albertsons operates both standalone drugstores and supermarket-based pharmacies.
 *Wal-Mart and Albertsons figures are estimated

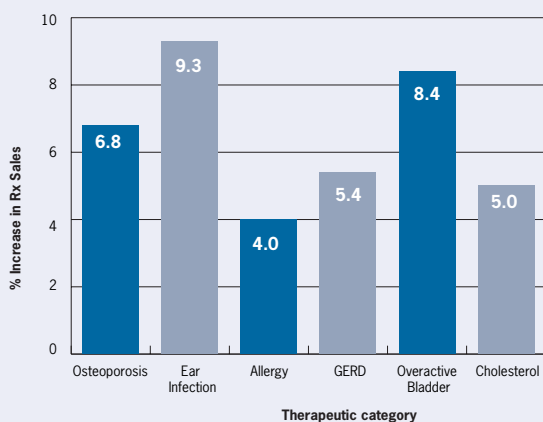
ponent of DTC marketing decision criteria.

At-shelf marketing programs have been tested and measured in CVS stores, among other retailers, and they allow marketers to monitor the campaign using matched panel studies to capture accurate data. Researchers consider all factors affecting a specific market, including television and print advertising, and carefully select control and test sites where the only differentiation will be the promotional unit in the stores. They then monitor prescription activity at those stores for a measured period of time during and after the marketing cycle. On average, at-shelf and at-counter programs increased script sales by 11.8 percent and returned an average of \$5 for every \$1 invested, according to data compiled during some recent shelf-marketing programs. This information becomes even more relevant as DTC marketers look for the most effective and efficient ways to impact consumer behavior.

Note, a recent consumer study conducted by Ipsos PharmTrends found that a declining proportion of consumers took action following exposure to a prescription drug ad. Only 19 percent of consumers said that a DTC ad prompted them to call or visit their physician to discuss a prescription drug they had seen advertised, compared with 25 percent who said they were prompted to take action in a previous survey. Despite the fact that consumer action may be declining, television and print advertising are still incredible tools to build brand awareness when used with enough frequency and reach. It helped make Viagra a household word!

However, many pharmaceutical marketers are faced with the challenge of building brand awareness, within a limited budget, among a target audience of current sufferers, while trying to communicate complex medical information. At-shelf programs can be used not only to educate consumers, but also to deliver incentives such as free trials or rebate offers, provide information about sponsorships and upcoming events, influence compliance, build brand loyalty and effect product switching. A retail pharmacy program also can play a role in launches when it is integrated into a comprehensive marketing campaign.

Prescription sales increases from in-store promotion*



*Test vs. Control Panels.
Research conducted by NOP World for Rx EDGE® retail pharmacy program,
April 2003 – June 2004, CVS & other retailers.

Demonstrating the value of pharmacies

Retail drugstores, caught in the middle of the ongoing battle over rising drug prices and reimportation, are looking for ways to partner with pharmaceutical manufacturers in programs that show the value of both the pharmacist and the pharmacy.

Mary Sammons, president and chief executive of Rite Aid, noted at an industry conference in late August that drugstores' greatest challenge is "the extent to which cost pressures threaten to turn the delivery of medicines into a commodity business, diminishing the role and value of neighborhood pharmacists." The pressures are similar for pharma companies, which are fighting to maintain their historical role in healthcare.

Sammons, who also is chairman of the National Association of Chain Drug Stores, called for more "collaboration on the part of retailers, drug manufacturers, suppliers and pharmacy educators to turn the tide" against this threat. "We must continue to work with our colleagues at PhRMA to communicate the value of prescription medications and the role of pharmacy care in improving patient outcomes," she noted.

She also said the challenge is to find "creative ways to provide the healthcare services that will distinguish community pharmacies" from Internet and mail-order pharmacies "that sell cut-rate prescriptions and deliver them to customers with nothing more than a printed sheet of directions and a refill form in an envelope."

Patient education efforts are one way to do this, Sammons explained, and she called for "changing the culture of our business" to become more collaborative with pharma manufacturers and other healthcare companies. She also noted that a new organization, the Sarasota Group, has begun to develop a public relations campaign that leverages the resources of pharma and community pharmacies. "We have a powerful message to convey: that drug therapy is one of the true success stories in healthcare. And fundamental to that success are the contributions of pharmacists to patient care."

In addition, when a drug has been in the marketplace for a long period of time and has new competition from OTC remedies, at-shelf programs can help to educate consumers about their condition and the prescription remedies that are available. They also can be valuable and inexpensive marketing tools to attract attention as a drug nears patent expiration.

As part of an overall DTC marketing strategy, the retail pharmacy has a strong role in building Rx brands. By reaching consumers in the drugstore during perhaps their first step toward finding treatment, DTC marketers have the opportunity to help educate consumers and begin to build brand awareness for prescription alternatives. ■

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